

SCR 13

[(3)] (4) All costs and expenses of the commission incurred in causing the audits to be made as required by subsection (1) of this section shall be borne on a distributed cost basis by the beneficiary of moneys distributed under ORS 462.280 (1)(b) and (e) that is audited. All costs and expenses pertaining to the installing of accounting systems for beneficiaries of moneys distributed under ORS 462.280 (1)(b) and (e) shall be borne by the beneficiary for which the installation is made. These costs shall be deducted from the moneys distributed under ORS 462.280, prior to distribution.

SECTION 14. Sections 14a and 14b of this Act are added to and made a part of ORS chapter 462.

SECTION 14a. Notwithstanding ORS 462.067:

(1) Until June 30, 1987, the race meet licensee shall pay to the commission 6.3 percent of gross mutual wagering plus 39.375 percent of any amount in excess of 16 percent of the gross mutual wagering receipts the commission authorizes the licensee to take pursuant to section 10a of this 1983 special session Act.

(2) The race meet licensee shall not make payments pursuant to ORS 462.067 (3) until after June 30, 1987. Until June 30, 1987, the amount of any such payments are subject to approval of the commission as provided in section 10a of this 1983 special session Act.

SECTION 14b. Until June 30, 1987, the commission may require any horseman's association that receives payments pursuant to section 3a of this 1983 special session Act to submit a bond in the same manner as provided in ORS 462.065.

SECTION 15. ORS 462.050 is amended to read:

462.050. (1) Every person making application for a license to hold a race meet shall file the application with the commission. It shall set forth the time, place and number of days the applicant desires the meet to continue, together with the applicant's estimate of the daily average percentage payment which the applicant will pay to the state upon the gross amount of money wagered per day and such other information as the commission may require.

(2) The commission may, in its discretion, require a performance bond in an amount not to exceed \$10,000, to insure that the licensee operates a race meet on the license days granted.

(3) The application shall be accompanied by a check on a bank maintaining an office and licensed to do business in Oregon in an amount equal to the license fee, exclusive of required percentage payments, required for the number of days for which the license is requested. If the license is not granted, such deposit shall be returned promptly to the applicant. If the license is granted, but for fewer days than applied for, the excess of the daily deposit shall be returned promptly to the applicant.

(4) No applicant designated in ORS 462.057 is eligible for a return of the license fee unless a race meet license is not granted.

(5) When a licensee under ORS 462.062 or 462.067 is prevented from conducting a race meet for the authorized number of days, the commission, upon written request therefor, may refund to the licensee the daily license fee based upon the number of days lost for good cause shown. A strike or lockout shall not be deemed to be good cause.

(6) In order to assist the commission in determining whether there has been compliance with ORS 462.075 (1)(h), (2)(a) and (4):

(a) The commission may require each holder of a license under ORS 462.062 or 462.067 to submit annually to the commission audited financial statements.

(b) Each licensee under ORS 462.062 or 462.067 shall make available to the commission for examination and audit at all reasonable times, upon notice to the licensee by the commission, complete and accurate financial records of the licensee's operations, including the financial records of any other corporation or business entity owned or controlled by the same parent corporation or individual as the licensee that provides services related to the licensee's operations.

SECTION 16. Sections 3, 3a, 10, 10a, 14, 14a and 14b of this Act are repealed July 1, 1987.

SECTION 17. This Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this Act takes effect on its passage.

Approved by the Governor October 13, 1983
Filed in the office of Secretary of State October 14, 1983

SENATE CONCURRENT RESOLUTION 13

Be It Resolved by the Legislative Assembly of the State of Oregon:

The Senate and the House of Representatives of the first special session of the Sixty-second Legislative Assembly shall adjourn sine die at 10:00 p. m. on the 4th day of October 1983.

Filed in the office of Secretary of State October 11, 1983

SENATE JOINT RESOLUTION 30

Be It Resolved by the Legislative Assembly of the State of Oregon:

PARAGRAPH 1. The Constitution of the State of Oregon is amended by creating a new Article to be known as Article IX-A and to read:

ARTICLE IX-A

SJR 30

SECTION 1. As used in sections 1 to 10 of this Article, unless the context otherwise requires:

(1) "Covered appropriation" means an authorization for a government entity to expend from covered revenues, except that covered appropriations includes authorizations to expend from the proceeds of short-term borrowing repaid from covered revenue and does not include authorizations to repay the principal of short-term borrowing.

(2) "Covered expenditures" means covered appropriations actually expended or estimated to have been expended during a fiscal period.

(3) "Covered revenue" means moneys received or estimated to have been received by a government entity from all sources except:

(a) Funds received from the Federal Government either directly or through another government entity;

(b) Revenue, other than the sales tax described in Article IX-B of this Constitution, dedicated by this Constitution to specific purposes;

(c) Gifts or grants not from a governmental entity;

(d) Amounts received for services performed, goods provided and services made available for other government entities subject to the limitation imposed by this Article;

(e) Returns of principal from investments;

(f) Earnings from the investment of revenues not considered covered revenue;

(g) Earnings from the investment of the reserve funds described in sections 4 and 5 of this Article;

(h) Assessments for capital expenditures that are measured by benefits accruing to the property assessed;

(i) Revenue intended to be used or used for capital expenditures if the revenue is so designated in a manner prescribed by the Legislative Assembly;

(j) Revenue used for bonded debt service;

(k) The proceeds of the sale of bonds or other borrowing of the government entity;

(L) Revenues used for emergency expenditures as described in section 6 of this Article;

(m) Revenues used in enterprise activities as described in section 9 of this Article; and

(n) For the state:

(A) Proceeds from the sales tax described in Article IX-B of this Constitution;

(B) Revenue collected by the state for other government entities, including the revenues used for the cost of collection;

(C) Revenue used for general aid to other government entities;

(D) Revenue used to pay ad valorem taxes or special assessments of senior citizens for which the state receives liens on the property of the senior citizens; and

(E) Revenue used for general ad valorem tax relief to homeowners and renters.

(4) "Debt service" means payments of interest on principal of and management costs related to bonded indebtedness of the government entity.

(5) "Emergency" means an extraordinary event or occurrence which could not have been reasonably

foreseen or prevented and which requires immediate appropriation of funds to preserve the health and safety of the people.

(6) "Government entity" means the state or any political subdivision of or within the state.

(7) "Population" for other than a school district shall be determined by a method prescribed by the Legislative Assembly. The population of a school district shall be school attendance in the district as determined by a method prescribed by the Legislative Assembly.

SECTION 2. Every expenditure by or on behalf of a government entity must be in pursuance of an appropriation authorized in the manner prescribed by the Legislative Assembly or by this Constitution.

SECTION 3. (1) Covered appropriations of the state for a fiscal period shall not exceed the highest amount of covered appropriations for any of its last three fiscal periods, adjusted as described in section 7 of this Article for all fiscal periods subsequent to the period selected, and further adjusted by the percentage change obtained by dividing Oregon personal income for the two years immediately preceding the fiscal period by personal income for the third and fourth years preceding the fiscal period.

(2) Covered appropriations of any other government entity for a fiscal period shall not exceed the highest amount of covered appropriations for any of its last three fiscal periods, adjusted as described in section 7 of this Article for all fiscal periods subsequent to the period selected, and further adjusted by the percentage change obtained by dividing:

(a) The product of the population within the boundaries of the entity and Oregon per capita personal income for the first year preceding the fiscal period; by

(b) The product of the population within the boundaries of the entity and Oregon per capita personal income for the second year preceding the fiscal period.

(3) The determination of population growth or decline shall be revised as necessary to reflect the periodic census conducted by the United States Department of Commerce or its successor agency. The Legislative Assembly may provide by law for ameliorating the population adjustment from one fiscal period to the next when population declines have occurred.

(4) If the electors change the covered appropriations limitation of a government entity under section 8 of this Article, the covered appropriations for any fiscal period prior to the effective period of the new limitation shall not be used in any future calculation described in subsection (1) or (2) of this section.

(5) For the initial fiscal period under the limitation imposed by this Article, a government entity other than the state may use the highest amount of covered appropriations for any of the last six fiscal periods as its base before adjustments to make the calculation described in subsection (2) of this section.

(6) If no covered expenditures were made by an existing government entity in the last three fiscal

SJR 30

periods, the covered appropriations shall not exceed the amount approved by a majority vote of the electors of the government entity voting on the question on one of the dates specified in section 8 of this Article.

(7) For a newly created government entity, the covered appropriations for the initial fiscal period shall not exceed the amount approved by a majority vote of the electors of the government entity voting on the question on a date authorized by law.

(8) If the fiscal period of a government entity changes, the Legislative Assembly shall provide by law for adjustments to the calculations described in subsections (1) and (2) of this section consistent with the length of the new fiscal period and with the purpose of the limitation imposed by this Article.

(9) For purposes of subsections (1) and (2) of this section, "year" means four consecutive calendar quarters commencing on dates fixed by law.

SECTION 4. (1) The Legislative Assembly shall provide by law for:

(a) The calculation of surplus covered revenue at the end of each fiscal period of a government entity; and

(b) The establishment of a reserve fund for a government entity.

(2) The balance of a government entity's reserve fund shall not exceed 15 percent of covered expenditures of the entity for the prior fiscal period.

(3) Transfers from the reserve fund shall be considered covered revenues of the government entity.

(4) Surplus covered revenues not transferred to the reserve fund and excess earnings of the reserve fund shall be used to reduce taxes or other revenue.

SECTION 5. Subject to this Article, the Legislative Assembly may authorize any government entity to establish other reserve funds as the entity considers reasonable. Contributions to any fund so established that are derived from covered revenue are covered appropriations and covered expenditures in the fiscal period in which made. Withdrawals from and transfers among such funds are not covered appropriations. However, transfers to a fund supporting general governmental activities shall be considered covered revenues.

SECTION 6. (1) For any fiscal period, the limitation upon covered appropriations contained in section 3 of this Article may be exceeded upon declaration of an emergency by a majority vote of the governing body of the government entity or with respect to the Legislative Assembly, by a law approved by a majority of each house thereof.

(2) Appropriations authorizing emergency expenditures are not covered appropriations.

SECTION 7. (1) The Legislative Assembly may provide that:

(a) If the financial responsibility of providing services is transferred in whole or in part from the covered revenue of one government entity to the covered revenue of another, for the fiscal year in which such transfer becomes effective, allowable covered appropriations of the receiving government entity shall be increased by an amount determined by law and allowable covered appropriations of the transferring entity shall be decreased by the same amount.

(b) If the financial responsibility of providing services is transferred, in whole or in part, from covered revenue of a government entity to a private entity, or from covered revenue of a government entity to revenue not considered covered revenue, the appropriation limit of the entity shall be decreased accordingly.

(c) If the financial responsibility of providing services is transferred, in whole or in part, from a private entity to covered revenue of a government entity, or from revenue not considered covered revenue to covered revenue of a government entity, the appropriation limit of the entity shall be increased accordingly.

(2) If annexation of additional territory to a government entity occurs, allowable covered appropriations shall be increased by the amount of increased tax base under paragraph (b), subsection (4), section 11, Article XI of this Constitution or the increase provided under paragraph (a) or (c) of subsection (1) of this section, at the option of the government entity.

SECTION 8. (1) The covered appropriation limitation imposed by this Article may be increased or decreased by a majority vote of the electors of the government entity affected, upon referendum by the governing body of that entity.

(2) No more than two dates for the election described in subsection (1) of this section shall be fixed by law for any fiscal year. The primary and general election dates shall be used unless otherwise provided by law.

(3) If the election described in subsection (1) of this section would require additional ad valorem taxing authority to fund the requested appropriation limitation, then the question of a new tax base or a levy outside the base must be submitted to the electors with the question of the appropriation limitation as a single question.

(4) The covered appropriation limits imposed upon the state by this Article may be increased by a two-thirds vote of each house of the Legislative Assembly.

SECTION 9. Sections 1 to 10 of this Article do not apply to funds used in enterprise activities, as defined by law. However, the net income derived from enterprise activities is a covered revenue if it is to be used for general governmental activities and is not otherwise exempt.

SECTION 10. Sections 1 to 10 of this Article become operative with respect to all government entities commencing with the first day of the fiscal period of each government entity on or after July 1, 1985.

SECTION 11. The provisions of sections 1 to 10 of this Article shall not take effect and are repealed if

the amendment proposed by paragraph 2 of Senate Joint Resolution 30 (1983 first special session) is not approved by the electors.

PARAGRAPH 2. The Constitution of the State of Oregon is amended by a new Article to be known as Article IX-B and to read:

ARTICLE IX-B

SECTION 1. (1) Notwithstanding section 2, Article VIII and sections 3a and 3b, Article IX of this Constitution, after providing for the costs of administration, any refunds or credits for erroneous overpayments and other credits, offsets, discounts and refunds authorized by law, including those specified under subsections (4) to (6) of this section, amounts at least equal to the proceeds from any state-imposed general retail sales and use tax that is in effect in this state shall be applied exclusively to reduce the combined annual ad valorem property taxes levied by the state, a county, municipality, district or other body to which the power to levy an annual ad valorem tax has been delegated. Property shall not be variously classified for purposes of the property tax reduction, but all property subject to assessment and taxation shall be regarded as being of the same class for that purpose.

(2)(a) The Legislative Assembly shall not enact any law that imposes, or amend any existing law to impose, a general retail sales and use tax at a rate exceeding four percent.

(b) The Legislative Assembly shall not enact any law that imposes, or amend any existing law to impose, a general retail sales or use tax and includes in the measure of the tax, as taxable, any of the following:

(A) The sale of or the storage, use or other consumption of food products for human consumption, except those food products that are customarily sold for immediate human consumption.

(B) The sale of or the storage, use or other consumption of any medicine, drug, device, appliance or other substance, equipment or article, other than food, for use in the diagnosis, cure, mitigation, treatment or prevention of disease or other ailment in humans ordered by a prescription to a pharmacist by a practitioner authorized by law of this or another jurisdiction to issue prescriptions.

(C) The sale, service or furnishing of, or the storage, use or other consumption of water, natural gas, fuel oil, electricity or geothermal resources if delivered to consumers through mains, lines, tanks or pipes.

(D) The sale or lease of real property.

(E) The rendering, performing or use of medical or hospital services, as defined by the Legislative Assembly.

(F) The sale of, or the use or other consumption of animal life, or feed for animal life, which is of a kind the products of which ordinarily constitute food for human consumption.

(G) The sale of, or the storage, use or other consumption of, seed, plants, or fertilizer or pesticides to

be applied to agricultural, horticultural or silvicultural land or plants within or without this state.

(H) The sale of, or the storage, use or other consumption of, tangible personal property that will enter into and become an ingredient or component part of tangible personal property manufactured, processed or fabricated for ultimate sale at retail within or without this state.

(3) The Legislative Assembly shall adopt legislation further defining those transactions that are exempt from the tax imposed by the general retail sales and use tax law. However, any bill granting exemption from the tax and passed in the same form by both houses of the Legislative Assembly after July 1, 1985, shall be referred to the electors for their approval or rejection.

(4) In any law imposing a state general retail sales and use tax, there shall be provided a refund, credit or other means by which amounts estimated by the Legislative Assembly to offset the sales and use tax paid by lower income persons, as defined by the Legislative Assembly, are advanced or returned to those persons. Any legislative measure adopted by the Legislative Assembly which decreases the amount of the refund, credit or other means of offset initially provided by the Legislative Assembly under this subsection shall be referred to the electors for their approval or rejection.

(5) From the proceeds derived under a state-imposed general retail sales and use tax, the Legislative Assembly shall provide by law for property tax relief for residential renters.

(6) In any law imposing a state general retail sales and use tax, there shall be provided a credit or discount to offset the costs, as estimated by the Legislative Assembly, of collecting, accounting for and remitting the tax to the state.

(7) Notwithstanding section 1, Article IV, section 10, Article VI or section 2, Article XI of this Constitution, no general retail sales and use tax upon the sale of or the storage, use or consumption of tangible personal property shall be imposed by any county, city, district or other municipal corporation or political subdivision of this state.

(8) Notwithstanding section 1, Article IV and section 1a, Article IX of this Constitution, sections 1 to 166 of House Bill 3026, as passed by the first special session of the Sixty-second Legislative Assembly, shall become law on the effective date of this amendment.

SECTION 2. The provisions of section 1 of this Article shall not take effect and section 1 of this Article is repealed if the amendments proposed by paragraph 1 of Senate Joint Resolution 30 (1983 first special session) are not approved by the electors.

SECTION 3. If the requisite number of applications for an election on Article IX-B of this Constitution are not filed with the Secretary of State as provided in paragraph 3 of Senate Joint Resolution 30 (1983 first special session) Article IX-A and Article IX-B of this Constitution are repealed on June 30, 1984.

PARAGRAPH 3. The Legislative Assembly does not desire to propose a sales tax for the use of the government of the State of Oregon. The state does not need these tax dollars at state government level and does not want them at that level. Local government units will be the users of these funds if approved by the electors. Senate Joint Resolution 30 (1983 first special session) and its proposed amendment shall not be effective unless local government units representing at least a majority of the population of the state and a majority of such units ratify this amendment and request its placement on the ballot as provided for in this paragraph.

(1) Senate Joint Resolution 30 (1983 first special session) is rescinded on March 10, 1984, unless:

(a) The governing bodies of a majority of all of the cities, all of the counties and all of the school districts, including community college districts, together representing a majority of the population in the state, as determined by the Secretary of State, request by application to the Secretary of State that the constitutional amendment in paragraph 2 of Senate Joint Resolution 30 (1983 first special session) be placed on the ballot at an election provided in this paragraph; and

(b) Senate Bill 792 and House Bill 3026 both become law.

(2) A city, county or school district may make its application under this section only after the governing body of the city, county or school district has held a public hearing on the application.

(3) Once submitted, an application cannot be withdrawn by a city, county or school district. An application need be submitted only once. A submitted application shall be considered an application for both of the election dates under subsection (4) of this paragraph.

(4) If the requisite number of applications are submitted to the Secretary of State:

(a) Not later than the 65th day before March 27, 1984, the Secretary of State shall submit the constitutional amendments proposed in paragraphs 1 and 2 of Senate Joint Resolution 30 (1983 first special session) as separate questions to election on March 27, 1984.

(b) Not later than the 65th day before the date of the 1984 state-wide primary election, the Secretary of State shall submit the constitutional amendments proposed in paragraphs 1 and 2 of Senate Joint Resolution 30 (1983 first special session) as separate questions to election on the date of the 1984 state-wide primary election.

PARAGRAPH 4. The Constitution of the State of Oregon is amended by creating a new section to be added to and made a part of Article IX and to read:

SECTION 9. Benefits payable under the federal old age and survivors insurance program or benefits under section 3(a), 4(a) or 4(f) of the federal Railroad Retirement Act of 1974, as amended, or their successors, shall not be considered income for the purposes of any tax levied by the state or by a local government in this state. Such benefits shall not be used in computing the tax liability of any person under any such tax. Nothing in this section is intended to affect any benefits to which the beneficiary would otherwise be entitled.

PARAGRAPH 5. The amendment proposed by paragraph 4 of Senate Joint Resolution 30 (1983 first special session) shall be submitted to the people for their approval or rejection at a special election held throughout this state on the same date as the next regular primary election.

Filed in the office of Secretary of State October 11, 1983